C.B.I. No. 283 Vol. I

COMMITTEE ON PETITIONS

(NINTH LOK SABHA)

FIRST REPORT

[Presentea to Lok Sabha on 5.9.1990]

LOK SABHA SECRETARIAT
NEW DELHI

September, 1990/Bhadra, 1912 (Saka)

Price: Rs. 23/-

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(1990-91)

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FIRST REPORT OF THE COMMITTEE ON PETITIONS
(NINTH LOK SABHA)
INTRODUCTION

I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this First Report of the Committee to the House on the following matters:—

(i) Action taken by Government on the recommendations contained in their Second Report (Eighth Lok Sabha) of the Committee on Petitions on the representation regarding introduction of old age pension scheme.

(ii) Action taken by Government on the recommendations of the Committee on Petitions contained in their Fifth Report (Eighth Lok Sabha) on the representations regarding non-refund of deposits by M/s. Lohia Machines Limited.

(iii) Action taken by Government on the recommendations contained in their Third Report (Eighth Lok Sabha) of the Committee on Petitions on the representation from Shrimati Paramjit Kaur seeking employment on compassionate grounds.

(iv) Action taken by Government on the recommendations of Committee on Petitions contained in their Eleventh Report (Eighth Lok Sabha) regarding closing down of three Government of India Presses.

(v) Action taken by Government on the recommendations of the Committee on Petitions contained in their Seventh Report (Eighth Lok Sabha) on the representation regarding problems being faced by Tamil Nadu Handloom Workers.

(vi) Action taken by Government on the recommendations of the Committee on Petitions contained in their Seventh Report (Eighth Lok Sabha) on the representation regarding delinking of the amount of National Talent Search Scholarship from the income of parents.

2. The Committee considered the above matters at their sittings held on 13 January, 1989 and 18 and 20 July, 1990.

3. The Committee considered the draft Report at their sitting held on 29 August, 1990 and adopted it.

4. The observations/recommendations of the Committee on the above matters have been included in this Report.

NEW DELHI;
Dated 29 August, 1990

LOKANATH CHOUDHARY
Chairman,
Committee on Petitions

I

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THEIR SECOND REPORT (EIGHTH LOK SABHA) OF THE COMMITTEE ON PETITIONS ON THE REPRESENTATION REGARDING INTRODUCTION OF OLD AGE PENSION SCHEME

1.1 In their Second Report (Eighth Lok Sabha), presented to Lok Sabha on 7 May, 1986, the Committee on Petitions after considering a representation regarding introduction of old age pension scheme made the following observations/recommendations:—

The Committee note the position stated by the Ministry of Personnel and Training, Administrative Reforms and Public Grievances and Pension on introducing old age pension scheme to all country men beyond 60 years of age and providing them payment of Rs. 500 per month per head. The Committee agree with views of the Government that the expenditure of the order of Rs. 25,872 crores on old age pension scheme for 4,31,72,243 persons aged 60 and above at the rate of Rs. 500 per month per head is not within the limits of economic capacity and the development of the State.

The Committee also note that 19 States have already introduced old age destitute pension at rates ranging between Rs. 20 to Rs. 75 per month. The Committee feel that the amount of Rs. 20–75 per month in these days of high cost of essential commodities and rising inflation in the country is too meagre.

The Committee consider old age pension scheme, included as one of the Directive Principles of State Policy in the Constitution of India, to be an important Welfare scheme and therefore, recommend that the Central Government should also contribute towards the implementation of the Scheme so that it is introduced all over the country. To start with, in the opinion of the Committee, the minimum old age pension should reasonably be Rs. 150 per month. The Committee also recommend that the Central Government should urge upon other State Government/Union Territory Administrations who have not yet introduced old age destitute pension scheme in their areas to do so at an early date and implement the scheme vigorously.

The Committee further recommend that judging from the importance of the subject, this matter after going into various aspects of the scheme in consultation with the Planning Commission should be placed before the National Development Council for their consideration and decision as a long term measure so that the introduction of old age pension scheme on uniform pattern becomes possible in all the States and Union Territories during the Seventh Five Year Plan itself.

[Para 4.4, pp. 12-13, 2nd Report, 8th L.S.]

1.2 The matter regarding implementation of the Committee's recommendation was taken up with the Ministry of Welfare. In their communication dated 31 August, 1989, the Ministry of Welfare, stated as follows:

> "....the old age pension is in the State sector and is generally paid out of non-plan budget. The recommendation for enhancement of pension rate was therefore referred to the State Governments/Union Territories and the Planning Commission for their comments. Planning Commission in reply to our communication supported the views that there should be a uniform pattern of public assistance in all States and Union Territories. It also indicated that for the introduction of old age pension scheme, it may not be possible to locate large funds in the midst of the Plan period. It further indicated that even if the Central Government introduces this scheme, ultimately the financial responsibility would devolve on the States after a period of five years. It gave an indication that the feasibility of implementing this scheme may be considered in the Eighth Plan but, at the same time indicated that it would not be possible to indicate the final view at this stage.
>
> As regards the replies of the State Governments, they are, by and large, reluctant to enhance the rate of pension as recommended by the Committee on Petitions. These States are, however, willing to enhance the rate of pension subject to availability of additional resources for the purpose.
>
> Ministry of Welfare, on its own initiative, has taken up the matter with the Finance Commission to consider additional allocation of funds to the States for suitably enhancing the rate of pension and to cover at least 20 percent of the aged population. The State Governments are also being separately requested to make provisions in their Eighth Plan proposals to cover at least 20 percent of the aged population 60 and above at a rate of 100/- p.m. The Planning Commission is also being requested to consider the request of the State Governments for funds for the purpose, either by providing funds in their Eighth Plan, or allocate suitable funds in the Central Sector to enable the Ministry of Welfare to supplement the State resources, to ensure a minimum social assistance for the elderly. A Note for NDC is also being prepared on the subject."

1.3 As the Committee were not satisfied with the reply of the Government, they called the representatives of the Ministry of Welfare (Department of Welfare) for oral evidence and held discussions with them on 18 July, 1990.

1.4 During evidence, representative of the Ministry of Welfare explained the steps taken by the Government to implement the old age pension scheme. The representative informed that the recommendations of the

Committee on Petitions were taken up with the Planning Commission and as the Commission was of the opinion that it was a state subject these recommendations were later on taken up with the State Governments. A majority of the States informed that they did not have any reservations on the need for increasing the rate of pension to be given to the aged in their States; but they were not in a position, on account of financial constraints, to increase the rate, unless the Central Government came forward to bridge the gap.

1.5 The representative of the Ministry further informed the Committee that they took up the matter once again with the Planning Commission and the Ministry of Finance and asked them whether it was possible to implement the scheme. They informed that it was not possible to find funds to the tune of crores of rupees in the midst of the Plan period and that they would examine this only when the 8th Plan was finalized.

1.6 In the mean time, the Ministry started calculating the details, the rates of pension and the state-wise requirements for the scheme. On the basis of 1981 census, the number of people above 60 years was found to be approximately 4.45 crores. If the pension was given at the rate of Rs. 150 per month, then the amount required would be over Rs. 8,000 crores per annum.

1.7 As regards the gap between the money being spent at present by the various State Governments under the scheme and the proposal for covering 20% of the aged population, the representative of the Ministry of Welfare stated that at present they were spending a total amount of Rs. 227 crores on the old age pension scheme. As the gap was very large, it was not found feasible to implement the recommendations of the Committee.

Besides, there were large variations in the rates of pension being given by the various State Governments. Their norms and criteria for giving the pension also differed. The representative stated that in order to bring about uniformity in the rate of pension @ Rs. 100/- p.m. by following certain common norms and increasing the percentage of beneficiaries from 9% to 20% of the population above 60 years, the total requirement of funds had been worked out to Rs. 1068 crores per annum. The Finance Commission had agreed to increase the rate of pension to Rs. 100/- p.m. and had provided an additional assistance of Rs. 162 crores to the State Governments. At present the coverage of the total population of the people above 60 years come to about 3% which was well short of the target of 20%.

1.8 When asked whether the National Development Council which met recently took up this matter for consideration, the representative of the Ministry informed the Committee that in that meeting only the approach paper was discussed as the Plan was yet to be formulated. The Planning Commission had informed the Ministry of Welfare that they would be in a

position to take into consideration the recommendations of the Commission at the time of the finalisation of the plan. The Ministry had informed the Planning Commission that there would be a gap of Rs. 680 crores in the availability of funds for implementing the pension scheme. The approach paper made reference to a number of Social Security Schemes like old age pension, widow pension, accident insurance etc. The representative of the Ministry stated that they were planning to prepare a paper on the basis of recommendations of the Finance Commission and the same would be forwarded to the Planning Commission so that the State-wise requirement could be worked out by them.

1.9 Asked whether the Finance Commission had fixed up any criteria for old age pension, the representative of the Ministry stated that they had not spelt out any criteria. They had only stated that 3% of the aged population was in the category of 60 years and above.

1.10 The rates of pension being given at present by the different States/ Union Territories is stated to be as under:—

S.No.	Name of the State	Rate of Pension
1.	Assam	Rs. 60/- per month
2.	Arunachal Pradesh	—do—
3.	Goa	—do—
4.	Gujarat	—do—
5.	Himachal Pradesh	—do—
6.	Jammu & Kashmir	—do—
7.	Manipur	—do—
8.	Meghalaya	—do—
9.	Mizoram	—do—
10.	Sikkim	—do—
11.	Uttar Pradesh	—do—
12.	West Bengal	—do—
13.	Chandigarh	—do—
14.	Andaman & Nicobar Islands	—do—
15.	Dadra & Nagar Haveli	—do—
16.	Pondicherry	—do—
17.	Haryana	Rs. 100/- per month
18.	Madhya Pradesh	—do—
19.	Maharashtra	—do—
20.	Nagaland	—do—
21.	Rajasthan	—do—
22.	Delhi	—do—
23.	Lakshadweep	—do—
24.	Andhra Pradesh	Rs. 30/- per month
25.	Karnataka	Rs. 50/- per month

S.No.	Name of the State	Rate of Pension
26.	Orissa	Rs. 40/- per month
27.	Tamil Nadu	Rs. 35/- per month
28.	Bihar	Rs. 80/- per month
29.	Kerala	Rs. 55/- per month
30.	Punjab	Rs. 50/- per month
31.	Tripura	Rs. 75/- per month

1.11 The Committee desired to know the percentage of the aged population in each state and the No. of beneficiaries among them. On the basis of 1987-88 figures made available by the representative of the Ministry of Welfare during the course of discussion the position can be summarised as under:—

Sl.No.	State	Total population of the aged people	No. of beneficiaries	Age for Pension	% covered
1.	Assam	1565000	39000	65 M 60 FM	2.5
2.	Andhra Pradesh		196641	65 & above	4.6
3.	Arunachal Pradesh	36000	150	60	0.4
4.	Bihar	5754000	1500000	60	26.1
5.	Goa	82000	54660	60	66.6
6.	Gujarat	2455000	52674	60	2.1
7.	Haryana	991000	672749	65	67.9
8.	Himachal Pradesh	388000	56875		
9.	Jammu & Kashmir	417000	5000	55	1.2
10.	Karnataka	2975000	61908	65	29.0
11.	Kerala	2311000	170110	65	
12.	Madhya Pradesh	4070000	160000	60	3.9
13.	Maharashtra		285000	60	5.9
14.	Manipur	101000	10650	60	10.5
15.	Meghalaya	72000	1107	65 M 60 FM	1.5
16.	Mizoram	28000	1825	65 M 60 FM	
17.	Nagaland	56000	2475		4.4
18.	Orissa	2030000	126226	65	6.2
19.	Punjab	1584000	90063	65	5.7
20.	Rajasthan	2499000	85000	58 M 55 FM	3.4
21.	Sikkim	17000	397	70 M 65 FM	2.3
22.	Tamil Nadu	3757000	372000	65	9.9

Sl.No.	State	Total population of the aged people	No. of beneficiaries	Age for Pension	%. covered
23.	Tripura	175000	12778	70	7.3
24.	Uttar Pradesh	9175000	122778	65	1.3
25.	West Bengal	3665000	30720	60 & above	10.8
26.	Andaman & Nicobar Islands	7000	174	60	2.5
27.	Chandigarh	22000	50	65 M 60 FM	0.3
28.	Dadra & Nagar Haveli	5000	122	65 M 60 FM	2.4
29.	Daman & Diu	6000	20	60	0.3
30.	Delhi	337000	2784	60	0.8
31.	Lakshadweep	2000	66	60	3.3
32.	Pondicherry	49000	1290	60	2.6

1.12 The representative of the Ministry informed the Committee that out of the total population of 538 lakhs as many as 4915981 aged people were covered under the old age pension scheme *i.e.* about 9.9% of their total population.

1.13 When asked whether any income criteria had been laid down for getting pension, the representative of the Ministry of Welfare stated that they had recommended that pension be given to person aged 60 years or above whose income was less than Rs. 500/- p.m. The Ministry had also recommended that all the states should uniformly follow these norms and that the rate of pension should be increased to Rs. 100/- wherever it was less. The Ministry had also requested the States to place their demand for the requisite funds before the Planning Commission in their annual plan as well as before the Finance Commission.

1.14 In reply to a question whether the Central Government were going to take certain steps to bring about uniformity in the rates of pension, the representative of Ministry stated that the subject fell within the jurisdiction of States. However, the Ministry had expressed their opinion to the Finance Commission that there was a necessity to bring about uniformity in the rates of pension being given by various State Governments.

1.15 Explaining the difficulties being faced by the State Governments in covering 20% of the aged population under the old age pension scheme, the witness stated as follows:—

> "In most of the States, this benefit is provided for the destitutes. The other point is this: the States face financial constraints. They have

made allocation for a limited number of people. They do not increase the number of beneficiaries even if somebody is deserving to get this benefit. They do not have adequate funds. Therefore, only one person is given *i.e.* if somebody dies, a new person gets this benefit. So, these are the facts which we have brought before the Finance Commission and others also."

1.16 The Committee pointed out that there were cases where eligible persons were not getting pension while the rich people were getting it though they did not come under the category of aged people. In this context, the representative of the Ministry stated that they would take up the matter with the State Governments and request them to review the entire scheme.

1.17 When asked whether the Centre contributed funds to the State Governments to implement the old age pension scheme, the representative of the Ministry stated:—

"No sir. It is purely a State Government activity and the State Government is responsible under the State List. We have realised over the last five or six years that there is growing need to help certain categories of the aged people. We have got the general grant-in-aid scheme and under that scheme, we have been providing very limited funds to voluntary organisations who would work for the aged and who would provide them certain services in various areas. Because of our pursuance, in the current year, the Planning Commission has, for the first time, given us separate money for implementing certain schemes for the aged. I have got a provision of Rs. 1.5 crores this year. We have just now formulated a scheme which we will be sending to the Planning Commission and the Finance Commission."

Observations/Recommendations of the Committee

1.18 The Committee note that there are lot of variations in the rates of old age pension being given by the various State Governments/Union territories. Their norms and criteria for giving the pension also differ. While the rate of pension given by 5 States and 2 Union territories is Rs. 100/- per month it is only Rs. 60/- per month in case of 12 States and 4 Union territories. In some of the States/Union territories the rate of pension is as low as Rs. 30/- or 40/- per month. The figures relating to the total population of the aged people in the States/Union territories and the number of benficiaries covered under the scheme indicate that the percentage is very low *viz.* 0.37% in Daman & Diu, 0.4% in Arunachal Pradesh, 0.8% in Delhi and just over 1% of the aged population in Uttar Pradesh, Meghalaya and jammu & Kashmir which is well short of the proposed target of 20% Out of the total population of 538 Lakh aged people only 49,15,981 aged people have been covered under the scheme which comprises only about 9.9% of the aged population in the country.

1.19 In reply to the question whether the National Development Council which met recently took up the matter for consideration, the representative

of the Ministry of Welfare informed the Committee during evidence that in that meeting only the approach paper was discussed and not the entire plan as it was yet to be formulated. The Planning Commission had informed the Ministry of Welfare that they would be in a position to consider the matter when the 8th Plan would be finalised. The representative of the Ministry also stated that they are planning to prepare a paper on the basis of the recommendations of the Finance Commission with a view to forward it to the Planning Commission so that the statewise requirement could be worked out by the Commission.

1.20 The Committee disire that the Ministry of Welfare should urge upon the States/Union territories to bring uniformity in the rates of pension being given by them as already recommended by the Committee. To start with, the minimum old age pension should be increased to Rs. 150/- per month. The Committee trust that the matter would be given due consideration by the Planing Commission while finalising the 8th Plan. The Committee regret that a welfare scheme like grant of old age pension has all along been neglected and has not received the attention of the Government that it deserved as is evident from the fact that even after 43 years of independence, only 9.9 per cent of the aged population in this country has been covered under the scheme. The Committee, therefore, recommend that the scheme should now receive the utmost attention of the Government and concerted effort should be made to ensure that all deserving persons above 60 years of age are covered under the scheme within the 8th Plan period itself. The States/Union territories should be requested to make provisions in their 8th Plan accordingly. In addition, the Ministry of Welfare should also impress upon the Planning Commission to consider favourably the requirement of State Governments/Union territories for providing funds for the purpose either by providing them in the 8th Plan itself or allocate suitable funds in the Central Sector to enable the Ministry to supplement the State resources to fulfil the constitutional obligation.

II

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR FIFTH REPORT (EIGHTH LOK SABHA) ON THE REPRESENTATIONS REGARDING NON-REFUND OF DEPOSITS BY M/S. LOHIA MACHINES LIMITED

2.1 In their Fifth Report (Eighth Lok Sabha), presented to Lok Sabha on 4 May, 1988, the Committee on Petitions considered the representation regarding non-refund of deposits by M/s. Lohia Machines Limited and made certain observations/recommendations. These recommendations were taken up for implementation with the Ministry of Industry (Department of Industrial Development). The Ministry of Industry (Department of Industrial Development) have furnished the action taken replies *vide* their communication dated 28 July, 1988. The recommendations made by the Committee and the replies furnished by the Government are given below seriatum:—

Recommendation No. 3.33

The Managing Director of the Company had requested for extension of time upto March, 1988 for making payment in respect of all refunds where cancellation requests had been received by the Company. This had been agreed to by the Committee in the context of the position explained by the Company. The Committee trust that M/s. Lohia Machines Ltd. have fulfilled their assurance that payments in respects of all requests for refunds would be made latest by the 31st March, 1988.

Reply of the Government

On 11.4.88 M/s. LML Ltd. has requested the Petitions Committee for additional time beyond 31.3.88 as their application with the financial institutions is still being processed and they are making all efforts to get the approval early. However, pending approval, and as a token of their commitment to make the refunds, the Company as on 30.6.88, has sent pay orders of part payment comprising of principal amount of Rs. 200/- alongwith interest at the rate of 7% for the term booking and at 11% for the period of delay, in respect of about one Lakh requests, covering the period upto May, 1987. In all the balance cases, the company has indicated that refunds pay order of part payment of principal amount, alongwith interest, would be made in the next 4 to 5 months. The balance

amount would be paid as soon as resource position of the company permits.

Reply of the Government

The company has started paying interest on delayed payments and has also confirmed to do so in future, as well.

Recommendation No. 3.34

The Company has agreed that in all cases of refunds where payment is not made within 60 days of the receipt of request for cancellation, interest @ 10.90% will be paid by the company for the delayed period in future. Thus all cases of refunds pending with the company from Jan.; 1987 are entitled to this higher rate of interest. The Committee hope that the Company will honour its commitment made before the Committee in this behalf.

Recommendation No. 3.35

The Committee will like the Ministry of Industry to keep a watch and see to it that refunds are made by the company within the stipulated period of 60 days. In cases where there is delay in refund payments, the company should be made to pay enhanced rate of interest for the total delay period. The Committee would await a compliance report within three months of the presentation of this report.

Reply of the Government

The Company is awaiting approval of their proposal for working capital funds. With the acceptance of their request, it is expected that they would be able to clear the backlog of such requests and make refunds within the stipulated period in case of fresh requests.

The complaints received by the Ministry of Industry are taken up with the company for early action. From time to time, reports are also called for from the company.

The Company has agreed to pay enhanced rate of interest @ 11% in case there is delay in refund of advance money.

Recommendation No. 3.36

The Committee also desire that the Ministry of Industry should review the guidelines issued to various manufacturers in regard to refund of deposits with a view to laying down a uniform time limit for making refunds and that in cases of delay in payment of refunds, the manufacturers should be required to pay enhanced rate of interest for the delayed period. This rate of interest will have to be worked out in each case separately.

Reply of the Government

This Ministry has initiated action to revise the guidelines on the subject. A separate report will be sent about the recommendation.

Recommendation No. 3.37	Reply of the Government
The Committee further suggest that keeping in view the large number of complaints about delay in refunds, the arrangement agreed to by M/s LML Ltd. and the revised guidelines should be adequately publicised for the benefit of the general public.	M/s. LML Ltd. have been advised to widely publicise the arrangements for refunding the advance money that has been agreed to by them. The revised guidelines, as and when finalised, would also be given wide publicity.

2.2 M/s. Lohia Machines Limited informed the Committee *vide* their letter dated 12th June, 1988 that in pursuance of the commitment agreed to in regard to refund of deposits from public, the company had commenced refund of part of principal amount i.e., Rs. 200/- out of Rs. 500/- in all cases pending since January, 1987 alongwith interest @ 7% for the term of booking and @ 11% for the period of delay as was directed by the Committee. The balance amount of Rs. 300/- would be paid with enhanced interest as soon as the resources position of the Company permitted.

2.3 At their sitting held on 20 July, 1988, the Committee considered the position as explained by M/s. Lohia Machines Limited in their letter dated 12th June, 1988. The Committee felt that the arrangements for part payment did not appear to be satisfactory and the company should be asked to make payments of refunds in full strictly in accordance with the priority of requests for cancellations.

2.4 Accordingly, the Company was informed on 17th August, 1988 that the arrangement for part payment of the advance booking amount did not appear to be satisfactory and that it should make full payment of the refunds strictly in accordance with the priority of the requests for cancellations.

2.5 In paras 3.36 and 3.37 of their Fifth Report (Eighth Lok Sabha), the Committee on Petitions had *inter alia* recommended that the Ministry of Industry should review the guidelines issued to various manufacturers in regard to refund of deposits with a view to laying down a uniform time limit for making refunds and that in cases of delay in payment of refunds, the manufacturers should be required to pay enhanced rate of interest for the delayed period. The Committee had also recommended that the revised guidelines should be adequately publicised for the benefit of the general public.

2.6 The Ministry of Industry (Department of Industrial Development) informed the Committee *vide* their letter dated 10th January, 1989 that the revised guidelines regarding acceptance and deplyoment of deposits by the automobile manufacturers have since been issued and made effective w.e.f. 9th December, 1988. The Ministry have also issued a Press Note on that date for giving wide publicity to the revised guidelines.

2.7 M/s. Lohia Machines were requested on 13th March, 1990 to furnish a statement showing the latest position as on 15th March, 1990 with respect to the refunds made and the requests for the refunds pending. The Company was also

requested to indicate the time by which all pending requests for refunds will be disposed of.

2.8 The Company *vide* their letter dated 2nd April, 1990 furnished the following information with respect to the refunds made and the requests for the refunds pending, as on 28th February, 1990 :—

1. The Company has made full refund in respect of 8,63,408 number of bookings.

2. The Company has made full adjustment of advance alongwith applicable interest in respect of scooters delivered to 3,94,059 number of customers.

3. The company has made partial refund to 1,01,504 number of customers of Rs. 200/- being part principal amount alongwith interest @ 7% for the term of booking and @ 11% for the period of delay as directed by the Petitions Committee.

4. The total amount refunded and adjusted against delivery of scooters amounts to over Rs. 82,21,91,238.

5. The total number of requests pending for refund of scooter booking advance as on 28.2.1990 are 4,22,282 in number. Out of this in respect of 3,20,778 Nos. of cases the full principal amount alongwith applicable interest is pending while in the case of 1,01,504 nos. of cases the balance principal amount alongwith applicable interest is pending. The company has been making all possible efforts to extinguish its liability of refunds including disposal of its fibre division the sale of which would help in its liquidity position and extinguishment of its outstanding liability against refunds. In addition we have also submitted to the financial institutions and banks a consolidated proposal for delinking of the fibre division and re-structuring of the company's operations which is presently under their active consideration. The acceptance of the said proposal would also help towards the extinguishment of outstanding liability against refunds. Subject to the approval of the proposal for delinking and re-structuring and barring circumstances we expect to start refunding money shortly thereafter and hope to complete the same by the end of 1990-91, as indicated earlier. We also wish to confirm that in respect of those cancellations which are pending for payment the company shall be paying interest at a higher rate of 11% for the period of delay as directed by the Hon'ble Petitions Committee. While concluding we would like to assure the Hon'ble Petitions Committee that every effort will be made to make the payments and to also keep the operations of the company running where 10,000 people are directly and indirectly employed."

Recommendations/Observations of the Committee

2.9 The Committee note from the statement showing the number of refunds made and the requests for the refunds pending with M/s. Lohia Machines Limited that as on 28 February, 1990 the Company had made full refund in respect of 863408 number of bookings. The Company had made full adjustment of advance alongwith applicable interest in respect of scooters/delivered to 394059 customers. The Committee further note that the Company had made partial refund to 1,01,504 number of customers of Rs. 200/- being part principal amount alongwith interest @ 7% for the term of booking and @ 11% for the period of delay as directed by the Committee. The total amount refunded and adjusted against delivery of scooters by the Company amounts to over Rs. 82,21,91,238. The total number of requests pending for refund of scooter booking advance as on 28th February, 1990 are 4,22,282. Out of this, in respect of 3,20,778 cases the full principal amount alongwith applicable interest is pending while in the case of 1,01,504 cases the balance principal amount alongwith applicable interest is pending. The Committee further note that the Company has been making all possible efforts to extinguish its liability of refund including disposal of its fibre division the sale of which would help in its liquidity position and extinguishment of its outstanding liability against refunds. In addition, M/s. Lohia Machines Ltd., have also submitted to the financial institutions and banks a consolidated proposal for delinking of the fibre division and re-structuring of the Company's operations which is presently under their active consideration. The acceptance of the said proposal would also help towards the extinguishment of the Company's outstanding liability against refunds. Subject to the approval of the proposal for delinking and re-structuring and barring unforeseen circumstances the Company expects to start refunding money shortly thereafter and hopes to complete the same by the end of 1990–91.

2.10 The Committee regret to note that a large number of requests for refund of scooter booking advance are still pending with M/s. Lohia Machines Ltd. and at present the Company has to make refunds in as many as 422282 cases. These cases have been pending with the Company for more than five years. This is in violation of the assurance given by the Company that all deposits would be refunded within 60 days of the receipt of a request for cancellation of the booking. While the Committee, take note of the fact that the Company has made part payment of principal amount i.e., Rs. 200/- out of Rs. 500/- in all cases pending since January, 1987 alongwith @ 7% for the term of booking and @ 11% for the period of delay as per their directions, they would like the Ministry to ensure that all requests for refunds pending with the Company are cleared to the full satisfaction of the depositers by the end of 1990-91 as promised by it.

III

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR THIRD REPORT (EIGHTH LOK SABHA) ON THE REPRESENTATION FROM SHRIMATI PARAMJIT KAUR SEEKING EMPLOYMENT ON COMPASSIONATE GROUNDS

3.1 In their Third Report, presented to Lok Sabha on 2 April, 1987, the Committee on Petitions, considered a representation from Shrimati Paramjit Kaur seeking employment on compassionate grounds, and made the following observations / recommendations;-

"The Committee note that the request of Smt. Paramjit Kaur, widow of an Assistant, Ministry of Defence (CAO's Office) for employment on compassionate grounds has been turned down by the Ministry as according to them the family is not in indigent circumstances, in view of the terminal benefits and family pension paid to her by Government, owning a House and the dependent being only one *i.e.* a daughter aged 13 years.

The terminal benefits in this case comprised of approximately Rs. 40,000/-, after recovery of house building advance and interest thereon and family pension of Rs. 200/- per month. The petitioner has written to the Committee that she is not getting any income from her house.

The Committee note that in the light of recommendations of the Fourth Pay Commission, the widow will not get some more amount as pension but its impact may not be much in view of rise in prices.

The Committee consider that Government should not have ignored the petitioner's statement that after discharging her late husband's liabilities to the tune of Rs. 34,500 / -, she was left with a paltry sum of Rs. 5092 / - It was incumbent upon Government to have gone into it, especially when they have conducted an inquiry before denying employment to the petitioner and intimating the Committee that they have no comments to offer in the matter.

The Committee note that neither the Ministry of Finance nor the Ministry of Personnel, Public Grievances and Pensions (Ministry concerned in the matter) have defined the expression 'indigent circumstances' of the family for the purpose of providing employment on compassionate grounds to widows / dependents of the deceased Government employees. From the study of statement (circulated to the Committee at the time of evidence) giving details of employment provided or denied to the widows or dependents in the Ministry and CAO's office, the Committee note that

the officers competent to deal with such cases have not followed the guidelines and instructions in the spirit in which Government have issued them and the result has been the person like Smt. Paramjit Kaur who needed immediate relief and succour after her husband's death is still unemployed. Government's seven amendments to the basic policy statements since November, 1978 by liberalising instructions, specially in respect of widows, demonstrate that the State is striving to secure social order for the welfare of the people.

The Committee are convinced that the officers competent to implement Government's social policy have laid unnecessary emphasis on the number of dependents that have been left behind by the deceased Government servant, which in the opinion of the Committee need not have been taken into consideration for providing the petitioner right to work, to live honourably and peacefully, especially when Government are aware that she is qualified, there is no earning member in the family, terminal benefits are inadequate and from her house she is not getting any income. Action of competent officers has been against the proclaimed policy of the Government of giving incentives to persons going in for family planning and having lesser number of children. It is the bounden duty of officer, who have been placed in high position to seek clarifications from their higher officers, Ministers even, if the need be when during implementation of policies, it is noticed by them that a particular policy was working against the basic policy approved by Parliament.

The Committee note that Smt. Paramjit Kaur's case has not been referred to Ministry of Personnel, Public Grievances and Pensions, as has been the practice followed by some Ministries. To a specific question by the Committee, as to whether such a reference will be made, the representative of the Ministry replied in the negative stating that the case has been decided within the ambit of powers delegated and it was difficult for him to do it *suo moto*.

The Committee strongly recommend that Smt. Paramjit Kaur's case may be reviwed by Government. The indigent circumstances of the family should be clearly defined, taking into account Government's policy in the matter of family planning so that the description of the competent officer to provide employment, which in the opinion of the Committee has not been properly used in this case and in some other case also, does not become a matter of dispute."

[Paras 3.35-3.42, pp. 20-22, 3rd Report, 8th LS]

3.2 The Ministry of Defence, with whom the matter was taken up for implementation, have in their action taken reply dated 24th February, 1988, stated as follows:—

> ".....the case of Smt. Paramjit Kaur for employment on compassionate grounds has since been reviewed in the light of the recommendations contained in paras 3.35 to 3.42 of the Third Report of the Committee on Petitions. It has not been found possible to extend the concession of employment on compassionate grounds to Smt. Paramjit Kaur.
>
> The question of defining 'indigent circumstances' as recommended by the Committee on Petitions is being examined by the Department of Personnel and Training. The decision in the case of Smt. Paramjit Kaur could, however, possibly require a further review in the light of instructions that may be issued by the Department of Personnel and Training after a veiw is taken by them on the aforesaid aspect. Necessary action in this regard will be taken at the appropriate stage, and the outcome of further review if necessary will be communicated in due course."

Evidence before the Committee

3.3 The Committee were not satisfied with the reply furnished by the Ministry of Defence and decided to take oral evidence of the representatives of the Ministry of Defence and the Ministry of Personnel, Public Grievances and Pensions (Department of Personnel and Training) in the matter at their sitting held on 13.1.1989.

3.4 The Committee desired to know about the guidelines being followed by Government for giving employment on compassionate gounds. The Secretary, Department of Personnel and Training explained:—

> "The scheme applies to appointment of a son, daughter or near relatives of a government servant who dies in harness or is retired on medical grounds leaving the family in immediate need of assistance when there is no other earning member in the family. The authority competent to make compassionate appointments is Joint Secretary (Administration) or the Secretary of the Ministry/Department or the Head of the Department in the case of attached and subordinate offices. If the appointment is sought to be given in a case where there is an earning member in the family, taking into account the indigent circumstances of the family, approval of Secretary of the Department should be obtained."

3.5 As regards the action taken by the Ministry of Defence on the

request of Shrimati Paramjit Kaur for employment on compassionate grounds, the Secretary of the Ministry explained the position as under:—

> "The Defence Ministry with all the information it had and the opinion of the set of officers who had examined the requirements of the family, the Additional Secretary and the Secretary and the hon Minister came to the conclusion that the earlier decision that this was not a case where it satisfied the requirements for a compassionate employment, was a correct decision and did not need review. The Committee was pleased to suggest that 'indigent circumstances' had to be defined. We have requested the Department of Personnel and our colleague to see how it can be defined and to see how far this definition in the circumstances applied to her.
>
> If the Department of Personnel can lay rigid rules, then it becomes automatic application and we have no difficulty. A subjective application or judgement is not whimsical at the level of Additional Secretary or Secretary and in this particular case at the Minister's level we came to the conclusion that there is no necessity to do this. I would submit with great respect that there is no miscarriage of justice".

3.6 When the Committee pointed out that in this particular case the Government could relax the rules and grant employment to the petitioner on humanitarian grounds, the Secretary, Ministry of Defence gave the following assurance to the Committee:—

> "As far as this particular case is concerned, I submit with a great respect to the Committee that I will convey the views of the Committee to the Minister for re-consideration. I would be happy if one more person gets some relief."

3.7 Subsequently, in their O.M. dated 7 April, 1989, the Ministry of Defence, Office of the Chief Administrative Officer, informed the Committee as follows:—

> "Smt. Paramjit Kaur was offered the appointment of Lower Division Clerk on compassionate grounds *vide* this Office Memorandum No. A/22875/192/CAO/R-I dated 30th January, 1989. She was requested to report for duty to this office by 28th February, 1989, in case she was willing to accept the offer.
>
> Smt. Paramjit Kaur has, however, stated, in her letter dated 16th February, 1989, the following:—
>
> (a) Her daughter, who is completing 18 years of age in December, 1989, and will be qualifying in matriculation examination from Delhi in April, 1989, may be given this appointment in her place.
>
> (b) In case it is not possible to accede to her request, she is informed accordingly to enable her to join the post offered to her.

The request of Smt. Paramjit Kaur has been examined and she has been informed *vide* our letter of even number dated 6th April, 1989, that since her daughter has not attained the minimum age of 18 years required for entry into the Government service and as the minimum age is not relaxable, her daughter cannot be appointed. Smt. Paramjit Kaur has also been requested that in case she is willing to accept the offer of appointment made to her, she should report for duty to this office by 30th April, 1989, alongwith medical fitness certificate on the prescribed form from the competent medical authorities, failing which the offer of appointment made to her will be treated as cancelled."

Observation of the Committee

3.8 The Committee note with satisfaction from the action taken reply furnished by the Ministry of Defence, Office of the Chief Administrative Officer that Smt. Paramjit Kaur has been offered the appointment of Lower Division Clerk on compassionate grounds.

IV

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR ELEVENTH REPORT (EIGHTH LOK SABHA) ON THE REPRESENTATION REGARDING CLOSING DOWN OF THREE GOVERNMENT OF INDIA PRESSES

4.1 In their Eleventh Report (Eighth Lok Sabha), presented to Lok Sabha on 31 July, 1989, the Committee on Petitions considered a representation regarding closing down of three Government of India Presses and made the following recommendations:—

"The Committee note that pursuant to a policy decision taken sometime in 1985 that the Government of India should not engage itself in all types of printing activities, it was decided that the three Government of India Presses situated at Shimla, Calcutta and Howrah may be closed down. When the decision to close down these presses was disclosed in the Lok Sabha in reply to Unstarred Question No. 1025 answered on 11 November, 1986, several members of Parliament strongly criticised the decision and demanded a review of the same. Subsequently, the matter was discussed in the Lok Sabha on 3.12.1986 in the form of half-an-hour discussion and sensing the mood of the House and the anxiety of the Members, the Minister concerned gave an assurance that the Government will once again review the decision to close down the three presses within a period of six months i.e. by June, 1987. The Committee are distressed to find that since then more than two years have elapsed but it has not been possible for the Government to arrive at any definite decision. As a matter of fact a note furnished to the Committee on 12 April, 1989, reveals that the Ministry of Urban Development is still in the process of finalising a paper to be submitted to the Cabinet for consideration. The Committee cannot but deplore the unconscionable delay in arriving at a decision on a question which is of paramount importance for more than two thousand employees of the three presses. The adverse psychological impact of the proposed closure on the morale of the workers can only be imagined. The Committee urge that the uncertainty about the future of such a large number of workers should in no case be prolonged and a final decision in the matter should be taken immediately.

The Committee are at a loss to appreciate the rationale behind the Government decsison to close down three industrial units, which between themselves provide employment to more than two thousand workers and are not a burden upon the exchequer in so far as they have been functioning on no profit no loss basis. What baffles

the Committee is that while some bankrupt and sick units are being taken over by the Government for rehabilitation and revival with a view to protecting the interest of the workers, here is a case where the interests of workers are being jeopardised by a conscious decision to wind up units which are not at all sick. Even if it be argued that these three presses were equipped with machinery which was obsolete and needed replacement or modernisation, surely the remedy should have been the introduction of new and better technology and injection of some fresh capital. The Committee are not at all convinced with the reasons adduced by the Government for taking a drastic decision like closing down of ongoing and essentially self supporting units. In a situation where on Government's own admission the printing work of the Government offices has been increasing with the expansion in Government activities, it should be possible to recognise and restructure the existing units to meet the increasing demand of printing work.

The delay in reviewing the decision has had an adverse effect on the morale of the workers. Any further delay will have a debterious effect on the viability of the units as well. At present the vacant posts are not being filled up and no crew for the new machines have been provided. This has inevitably affected the productivity of these presses in an adverse manner. The Committee, therefore, strongly recommend that there should be no further delay in rescinding the decision to close down the three Government presses. A rehabilitation / modernisation plan should be prepared keeping in view the nature and scale of requirements and the staff be provided the requisite training on the new machines so that there is no retrenchment. The Committee would like to be apprised of the action taken in the matter within three months."

[Paras 4.19 to 4.21 pp. 56—58, Eleventh Report (8 LS)]

4.2 The Ministry of Urban Development who are concerned with the matter, have in their O.M. dated 7 November, 1989 stated as follows:

"A review of the decision taken by the Cabinet to close down the 3 Government of India Presses and Forms Store is under consideration and a revised note for the consideration of the Cabinet is being prepared. The recommendations / observations of the Committee on Petitions contained in the Report referred to above will be duly incorporated therein for the consideration of the Cabinet."

4.3 Asked to state the latest position in the matter, the Ministry of Urban Development, in a communication dated 23 March, 1990 have stated that there is no change in the position.

Recommendation of the Committee

4.4 The Committee regret to observe that a review of the decision to close down the three Government presses is still pending though more than 10 months have elapsed since the Committee urged rescission of the decision without delay. While disapproving the delay, the Committee hopes that the concerned Ministry would take special care that the matter is placed before Cabinet forthwith and a decision in the matter is taken at the earliest.

V

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR SEVENTH REPORT (EIGHTH LOK SABHA) ON THE REPRESENTATION REGARDING PROBLEMS BEING FACED BY HANDLOOM WORKERS AND HANDLOOM INDUSTRY IN TAMIL NADU

In their Seventh Report, presented to Lok Sabha on 13 May, 1988, the Committee on Petitions, considered a representation regarding problems being faced by Tamil Nadu Handloom Workers and Handloom Industry in Tamil Nadu and made certain observations / recommendations.

5.1 The Ministry of Textiles with whom the matter was taken up for implementation have furnished their action taken reply *vide* O.M. dated 16 December, 1988, and 7 March, 1989. The recommendations made by the Committee and the reply furnished by the Government are given below *seriatim:*—

Sl. No.	Para No.	Recommendations/Observations of the Committee on Petitions (Lok Sabha)	Action Taken
1	2	3	4
1.	4.42	The Committee find that under the new textile policy announced in 1985, the handloom sector has been assigned a dominant role. With a view to taking care of the interests of handloom weavers, the policy envisaged several steps to be taken by the Central and State Governments. These *inter alia* included reservation of articles for exclusive production in the handloom sector, ensuring adequate availability of yarn and other raw materials at reasonable prices, improving marketing of handloom products and intensification of the development of handlooms through cooperatives. The actual implementation of the textile policy has however not made any visible improvement in the conditions of handloom weavers and handloom industry. In fact, as admitted by the Secretary, Ministry of Textiles, the handloom industry is passing through a crisis. Even the Janata cloth is not being manufactured in sufficient quantity and weavers are not getting the minimum wages. This has been the result of inept handling of supply of cotton yarn to handloom weavers in different parts of the country. Further, the response of the State Governments to the problems faced by the weavers continues to be perfunctory. Although the Janata Cloth Scheme ensures the supply of cloth to consumers at subsidised prices through the public distribution system, it hardly provides any relief to the weavers in distress. The prices of cotton and yarn have more than	In order to review the progress of implementation of the Textile Policy, 1985 and to assess as to how it has affected the various sectors of the textile economy, the Central Government has constituted a Committee under the Chairmanship of Shri Abid Hussain, Member, Planning Commission during May, 1988. The Committee is expected to make an assessment of how far the various measures devised in the policy for protection of handlooms have been effective in achieving their objectives and also whether

		doubled during the last two years but there is no corresponding increase in prices of handloom products with the result that handloom weavers continue to suffer. As has been pointed out by the petitioners from Tamil Nadu, the average daily earning of weavers is much below the minimum daily wage prescribed for agricultural labour.	the pre-eminent role of cotton as the main raw material of the textile industry has been maintained as stipulated in the policy. The Committee has been constituted with official and non-official members, including experts connected with various sectors of the textile industry.
2.	4.43	The Committee feel that it is high time that Government makes a realistic appraisal of the implementation of the new policy to see how far the major objectives of increased production of yarn and cloth have been realised. It also needs to be assessed in what manner the new policy has affected the handloom sector and whether any modification or change is required to ensure that the weakest link in the chain namely the handloom weaver gets a reasonable relief. The Committee are of the view that under any dispensation that we may have, it has to be ensured that the poor weaver does not suffer or is put at a disadvantage *vis-a-vis* other segments of population. It hardly needs to be emphasised that handloom industry is basically rural oriented and this sector has great potential for direct and indirect employment, for the rural poor. Therefore, the textile policy needs to be so oriented that it provides meaningful assistance to this sector of our economy and	In order to meet the increased cost of inputs and wages to weavers, Government have increased the rate of subsidy on Janata cloth from Rs. 2.00 per square metre to Rs. 2.75 per square metre w.e.f. 1.3.1988. Since the increase in the rate of subsidy on Janata cloth will meet the increased cost of inputs/wages only in

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		helps to improve the lot of the weavers. A careful review evaluation of the functioning of the textile policy is therefore called for with a view to finding out the deficiencies so far as the handloom sector is concerned and taking necessary remedial measures.	part, it has been decided to increase the consumer price of Janata cloth also. Consumer prices of Janata cloth have already been increased in a few States and proposals from the remaining States are expected shortly. In order to ensure that the wage rates assumed in the costing of the Janata sorts are actually paid to the weavers, necessary certification procedures have been prescribed. A study on evaluation of Janata Cloth Scheme in all its aspects has been entrusted to the Ahmedabad Textile Industry's Research Association (ATIRA). The final report of ATIRA is expected shortly.

3.	4.44	The Committee find that in terms of the Textile Policy 1985 certain articles have been reserved for exclusive production in the handloom sector under the Handlooms (Reservation of Articles for Production) Act, 1985. However, a number of such items reserved for exclusive production in the handloom sector are being produced on powerlooms in contravention of the Handloom Reservation Orders. This has been confirmed by the enforcement Wing of the Development Commissioner (Handlooms) on the basis of field visits. In many cases even writ petitions have been filed by the powerloom owners in the High Courts and the Supreme Court against the implementation of Handloom Reservation Orders. It has been stated that a census of handloom weavers and powerlooms was currently being conducted and after the census the position regarding the capabilities and requirements of the two sectors will be ascertained. In the light of the findings of this census, changes, if any required in the Reservation Orders will be considered. The Committee desire that the census in progress should be completed expeditiously and suitable amendments be made in the Reservation Orders with a view to ensuring that the area of operation for powerlooms is clearly delineated and sufficient number of articles are reserved for exclusive production in the handloom sector.	So far, 23 States / UTs have completed the census work on handlooms for which formats have been received. Out of which data processing has been completed in respect of 21 States by NCAER and the data for the remaining States are currently under process. Formats are being received from the States of Manipur and Tripura. It is expected that the final results of the census will be available before the end of this year. The suggestion of the Committee relating to reservation of articles for handlooms will be considered after processing of the Census data of all States.

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4.	4.45	The Committee have been informed by the petitioners that in Tamilnadu a weaver can weave on an average 12—15 metres of cloth per day with the assistance of members of his family and the total daily earnings of a family range between Rs. 7 and 25 depending on the quality of the cloth produced. The per capita earning of a weaver is thus much below the minimum daily wage prescribed for an agricultural labourer. Moreover, there is no guarantee of minimum wage. It has been represented that there should be a minimum wage for the handloom weavers also. In this connection, the Ministry of Textiles have stated that legislation on minimum wages for the weavers can be enacted, only by the State Governments. Some State Governments like Tamilnadu, Maharashtra, Uttar Pradesh and Kerala have already passed legislation on the subject. The Committee find that even though the Handloom Workers Employment and Miscellaneous (Conditions of Service) Act was passed in Tamilnadu, the same has not been implemented as the Government of Tamilnadu is still considering the creation of machinery for the enforcement of this legislation. The Committee desire that the Government of Tamilnadu be advised to enforce the said Act in right earnest and other State Governments may also be persuaded to initiate action for the enactment of necessary legislation and its implementation in their respective States.	Secretary, Handlooms Textiles and Khadi Department, Tamilnadu has been accordingly addressed. Those State Governments which have not enacted legislation have also been addressed to initiate necessary action for enactment of necessary legislation and its implementation in respect of minimum wages to be paid to handloom weavers.

5.	4.46	Apart from the provision of minimum wages for the handloom weavers, it may be considered whether it is feasible to link the minimum wage with the price index. In that case there can be periodical wage revisions on the lines of the principles enunciated in the Bangalore Regional meeting of Labour Secretaries held in 1980. The Committee would like the Government to look into this aspect of the matter also with a view to providing real relief to the poor weavers.	Regarding enactment of legislation for payment of Minimum Wages to handloom weavers the position is as under. 1. *Nagaland:* Owing to absence of organised handloom weavers no enactment of legislation has been made. 2. *Gujarat:* Handloom Weaver on an average gets Rs. 20/- and so far the wages are linked with production and minimum wages are not fixed by the Labour Department. However, the State Govt. may fix up minimum wages if considered necessary. 3. *Tamilnadu:* The State Labour Department is collecting data regarding the number of handloom functioning, number of

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			weavers employed, the number of domestic weavers and Master Weavers and on receipt of these particulars necessary instructions will be issued to the Officers of Labour Department for enforcement of this Act.
			4. *Punjab:* The Director of Industries has been requested to take necessary action for implementation of the recommendation.
			5. *Orissa:* Industries Department has requested the Labour and Employment Department to take necessary action for enactment of legislation

			prescribing minimum wages for handloom weavers in consultation with Director of Textile/ Managing Director of Orissa State Handloom Development Corporation Ltd. and Orissa State Handloom Weavers Cooperative Society Ltd.
6.	4.47	The Committee note that a scheme of special rebate @20% on the sale of handloom cloth by cooperative societies and Corporations is being operated since 1975-76. The object of the scheme is to ensure continuous employment and production in the handloom sector and avoidance of periodic accumulation of stocks. This scheme has been operated in such a way that rebate is allowed for a total period of 30 days in a year and in addition rebate is also allowed for another 30 days through National Handloom Expos organised by the Development Commissioner for Handlooms. It has been represented that there should be special rebate for 60 days in a year. The Committee feel that under the existing arrangements there should be some flexibility in the sense that these States which do not like to participate in National Handloom Expos should be allowed a rebate of 60 days instead of 30 days. Other States who prefer sales through National Handloom Expos may be allowed 60 days rebate through these Expos. This option may	Pursuant to the recommendations of the Sub-Group Handlooms for VII Plan that rebate must be phased out over a period of time, and after consultation with handloom organisations, the Central Government is considering an alternative to the existing rebate scheme, namely, Market Development Assistance Scheme. Under this Scheme, flexibility is given

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		be allowed so that there is no rigidity in allowing special rebate either on normal sales or sales during national Handloom Expos.	to States to choose from a wide range of marketing schemes including rebate, that are most beneficial to them. Under the Market Development Assistance Scheme, State Governments will also have the discretion to allow rebate on sales of handloom cloth. Such discretion will be for both the rates of rebate as well as the period of the rebate. This Scheme is under finalisation and will be notified shortly.
7.	4.48	The Committee find that with a view to ensuring availability of hank yarn, which is the essential raw material required by the handloom sector, Government of India is implementing a scheme of hank yarn	A statement showing the details of hank yarn deliveries during the last

obligation. The scheme enjoins on the textile mills to pack at least 50% of saleable yarn in the shape of hanks with a further stipulation that 85% of such yarn should be in counts 40 and below. The Committee have been informed that the statutory obligation of 50% of the output of spinning mills being in the shape of hank yarn has not been complied with by some of the spinning mills. In fact some of the spinning mills have obtained stay orders from Courts against the operation of this scheme. Since the implementation of the hank yarn obligation scheme rests with the office of the Textile Commissioner, the Committee desire that all necessary steps should be taken to ensure strict implementation of this scheme. Action should be taken to get the stay orders vacated.

There are also complaints that hank yarn available in the market is partly diverted to the power-loom weavers. The handloom industry infact insists that this practice is widely prevalent. The Committee desire that arrangements should be made to ensure that available yarn is equitably distributed among various claimants and in this matter the handloom weavers should not be put to any disadvantage.

5 years is enclosed as *Annexure*. The shortfall in hank yarn deliveries has been primarily due to stay orders issued by several High Courts on the writ petitions filed by some mills challenging the constitutional validity of the provisions of hank yarn obligation scheme. 122 writ petitions were filed in various High Courts and the Central Government has been making efforts to transfer the cases to the Supreme Court and vacate the Stay Orders. Textile Commissio[illegible] commissioner who is implementi[illegible] ting the scheme has been ad[illegible]ess- addres- sed to vigorously pursue action in this regard. It may be mentioned here that while there have been complaints regarding the rise

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			in prices of hank yarn, there have been no complaints regarding availability of hank yarn. Various agencies like the Handloom Development Corporations and Apex Cooperative Societies and Spinning Mills under the State/ Cooperative sectors/ NHDG are enjoined to ensure equitable distribution of yarn. The State Governments have also been addressed on this subject.
8.	4.49	It has been represented that with an abnormal increase in the price of cotton, the prices of yarn have gone very high. Similarly, the prices of dyes and chemicals and other inputs have shot up and affected the weavers adversely. As there is no commensurate increase in the price	The following measures are taken by Central Government to ensure adequate supply of yarn

of the handloom products, the margin of weavers has shrunk considerably. The Committee feel there is urgent need for evolving a system to ensure that weavers get adequate supply of yarn and other inputs at reasonable cost. In this context it may be reconsidered whether export of yarn should not be discontinued. If it is not considered feasible; steps may be taken to supply yarn to weavers at subsidised rates. Further just as has been done in Maharashtra, the State Governments may be asked to reserve quotas of yarn for handloom weavers, which may be supplied at fixed prices. The Committee may be informed of the action taken in this regard.

at reasonable prices:—

(i) The Central Government gives loan assistance to the National Cooperative Development Corporation (NCDC) for setting up new Weavers' Cooperative Spinning Mills and expanding the capacity of the weavers' cooperative spinning mills in various States in order to build up captive production for the handloom sector. The 20 new Weavers' Cooperative Mills and the expansion cases sanctioned during the 6th Plan period resulted in an additional spindleage of 5.96 lakhs spindles.

(ii) The National Handloom Development Corporation (NHDC) has been set up primarily with the

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			objective of arranging the supply of yarn to handloom sector at reasonable prices. NHDC has stepped up its operations and supplied 63.05 lakh kgs of yarn valued at Rs. 26.05 crores during 1987-88 (July 1987 to June 1988) as against 28.08 lakh kgs valued at Rs. 8.23 crores during the previous year. (iii) Central Government have also requested the State Governments to take such steps as are necessary to pool the hank yarn produced by spinning mills in the State/Cooperative sector for supply at reasonable price to State

handloom organisations. The Central Government have also requested the States to adopt the system prevailing in certain States like Tamil Nadu, Orissa and Andhra Pradesh where Yarn Fixation Committee under the Director of Handlooms meets regularly to decide the price at which the yarn will be sold to the organisations in the handloom sector.

(iv) The Central Government in order to safeguard the interest of decentralised handloom sector have taken certain corrective measures to check the recent trend in the price of yarn. They are as follows:—

(a) The export of staple cotton has been suspended.

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			(b) It has also been decided to permit import of cotton, against export of cotton yarn/cotton fabrics and made-ups on Advance Licence basis. (c) The export of hank yarn up to 60s counts has been suspended. (d) Import of one lakh bales of cotton, duty free, for production of hank yarn for supply to handloom sector has been permitted. The price advantage accuring out of import of duty free cotton will be passed on to handloom sector. The consignment has already arrived at the Indian Ports.

9.	4.50	The Committee are happy to note that Government have no objection to allow exports by handloom sector. In fact the Secretary, Ministry of Textiles has stated that handloom weavers should be encouraged to increase their exports and against exports they could import cotton from abroad. The Committee trust that the handloom weavers cooperative societies will make all possible efforts to promote export of handloom products and that the Government will ensure that handloom weavers are able to get the benefits of all incentives available to exporters.	Export incentives available to all exporters of handloom products, can also be availed of by handloom weavers cooperatives which undertake exports. The HEPC has been addressed to give special attention to the needs of handloom weavers cooperative societies and render necessary assistance to them. Government have recently announced enhancement in the rate of Cash Compensatory Support (CCS) on the export of certain textiles and clothing items. The enhanced rates of CCS are applicable for export of handloom items as well.

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10.	4.51	In order to protect the interests of weavers the petitioners have stated that the cooperative societies should be strengthened. In this connection the Committee were informed that the Government of Tamil Nadu has imposed a ban on holding elections to cooperative societies. During the informal discussions the Committee held at Madras, the representatives of the Ministry of Textiles and Government of Tamil Nadu confirmed that elections to cooperative societies had not been held for a long time. The Tamil Nadu Government had now framed a new Act to regulate holding of elections. The Committee trust that the Tamil Nadu Cooperative Societies Act, 1983, will be enforced early and the grievances of the weavers will be removed. The Committee strongly recommend that elections to the cooperatives may be held at the earliest.	The elections to handloom Cooperatives in Tamil Nadu were scheduled to be held during August-September 1988, which have subsequently been postponed. The State Government has been addressed to hold the elections as early as possible.
11.	4.52	The Committee desire that the State Governments may be asked to revive the dormant Cooperative Societies and form new societies of weavers so that the available funds could be channelised through them.	State Governments have been addressed accordingly.
12.	4.53	The Committee also feel that next to credit, the most important need of the hour is proper marketing. The Committee suggest that service cooperatives on the line of Agricultural Service Cooperative Societies may be set up. These societies can undertake the task of supplying raw material and marketing the products rather than leaving the weavers at	The primary handloom weavers cooperative societies and Apex/Regional Cooperative Societies undertake the channelised

		the mercy of established market forces and middlemen as is prevalent today.	supply of raw material and market the products in order to save the weavers from exploitation of middlemen and operation of market forces.
13.	4.54	Another important point to be considered is that even when cooperative societies are functioning, the individual weavers do not get the real benefit due to them because of mismanagement or malpractices in the working of cooperative societies. The Committee feel that some monitoring mechanism should be evolved so as to ensure that benefits accruing to the cooperative societies are actually passed on to the weavers.	In order to monitor the implementation of various developmental schemes in the handloom sector, a quarterly conference of State Directors-in-charge of Handloom is being held regularly. In addition, quarterly progress reports giving the quantitative progress made in implementation of various handloom development schemes are called for from States for the purpose of monitoring. State Governments have been addressed to set up effective monitoring systems to ensure that the benefits of various schemes are passed on to the weavers.

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14.	4.55	There is more scope for development of silk handloom industry in Tamil Nadu. However, the non-availability of raw materials such as kora and raw silk is a problem which has to be got over. It would be desirable if some quota of art silk is reserved for use by the handloom weavers.	In order to safeguard the interest of the handloom sector and encourage the production of blended fabrics, Central Government have exempted:— (i) Excise duty on certain types of polyester blended yarn when purchased by State Government corporations and cooperative societies. (ii) Excise duty on polyester fibre used in blended yarn for the production of blended fabrics on handlooms under a programme

approved by Development Commissioner for Handlooms.

(iii) Government have announced concessional rate of excise duty @Rs. 10.44 per kg. on polyester filament yarn used in the production of polyester fabrics under a programme approved by Development Commissioner for Handlooms and 50% concession on viscose filament yarn when purchased by registered handloom cooperative society or any organisation approved by State Government. All State Governments have been advised to issue necessary certificates to the registered

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			Handloom Cooperative Societies and Handloom Development Corporation to enable them to avail the concession.
15.	4.56	In cases where there are no cooperative societies, the flow of credit to the individual weaver poses a problem as the nationalised banks are not giving credit facilities to individuals. In such cases the Committee feel that weavers should be encouraged to take the help of State Handloom Development Corporations, which can not only provide the necessary raw materials to the weavers but can also arrange for timely credit through its link with NABARD and the nationalised banks. These Handloom Development Corporations can provide necessary guarantee to enable the banks to give advances to the weavers.	Several State Governments have already set up Handloom Development Corporations to assist the individual weavers outside the cooperative fold.

Observations/Recommendations of the Committee

5.2 The Committee are happy to note that Government is keen to solve the problems being faced by the Handloom industry particularly the problems of handloom workers and with a view to achieve this object have constituted a Committee under the Chairmanship of Shri Abid Hussain, Member Planning Commission. This Committee is to review the progress of implementation of the Textile Policy, 1985, and also to assess the effectiveness of various measures devised in the Policy for protection of handloom industry. The Committee would like to be apprised about the recommendations made by the Committee and the action taken in implementation thereof.

5.3 The Committee find that the rate of subsidy on Janata cloth has been increased from Rs. 2 per sq. metre to Rs. 2.75 per sq.m. *w.e.f.* 1.3.88. Correspondingly the consumer Price of Janata cloth has also been increased. The Committee would like that the report of the Ahmedabad Textile Industry's Research Association (ATIRA) who were entrusted with the evaluation of Janata Cloth Scheme may be made available to them and the remedial measures taken to provide meaningful assistance to the weavers may be clearly spelt out.

5.4 The Committee note that so far 23 States/UTs have completed the census work on handlooms out of which data processing has been completed in respect of 21 States and the data for the remaining States are under process. The Committee desire that the census and the data processing should be completed expeditiously and after completion of the census and data processing, area of operation for powerlooms should be clearly delineated and necessary amendments made in the Reservation Order to ensure that sufficient number of articles are reserved for exclusive production in the handlooms sector.

5.5 The Committee note with dismay that the Handloom Workers Employment and Miscellaneous (Conditions of Service) Act and the legislation on minimum wages for the weavers, though enacted, has not yet been implemented in Tamil Nadu where a large number of families are engaged in the production of handloom cloth. The Committee strongly recommend that the State Government of Tamil Nadu be advised to collect data regarding the number of handlooms functioning, number of weavers employed and the number of domestic and master weavers etc., without further delay and the Minimum Wages Act may be enforced at the earliest. Other States may also be persuaded to initiate action for enactment of the necessary legislation and its implementation. Necessary machinery for the enforcement of legislation may be created in all the States as early as possible.

5.6 The Committee reiterate that elections to the handloom cooperatives may be held at the earliest and the provisions of Tamil Nadu Cooperative Societies Act, 1983, may be strictly enforced.

5.7 The Committee are happy to note that the Government have taken several measures to ensure supply of yarn at reasonable prices to the handloom weavers. The Committee hope and trust that under the directions of the Central Government. State Governments would also take such steps as are necessary to pool the hank yarn produced spinning mills in the State/Cooperative Sector for supply at reasonable price to State handloom organisations. The Yarn Price Fixation Committee system prevailing in certain States should also be adopted by other States.

VI

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR SEVENTH REPORT (EIGHTH LOK SABHA) ON THE REPRESENTATION REGARDING DELINKING OF THE AMOUNT OF NATIONAL TALENT SEARCH SCHOLARSHIP FROM THE INCOME OF PARENTS

6.1 In their Seventh Report (Eighth Lok Sabha), presented to Lok Sabha on 13 May, 1988, the Committee on Petitions considered a representation regarding delinking of the amount of National Talent Search Scholarships from the income of parents and made the following observations/recommentations:—

6.2 The Committee find that till 1984 the amount of National Talent Search Scholarship awarded by the National Council of Educational Research and Training was Rs.150 per month for the first two years and Rs.200/- per month for next 5 years. From 1985 onwards the amount of scholarship has been reduced to half for those awardees, income of whose parents exceeded Rs.1,000/- per month. Thus the award which used to be given purely on the basis of merit was also subjected to a "means test". The decision to link the quantum of National Talent Search Scholarship with the parental income had reportedly been taken by the Executive Committee of the NCERT in 1985, despite the fact that a Review Committee set up in 1983 on National Talent Search Scholarship under the Chairmanship of Prof. Rais Ahmed had suggested that the award should be given purely on the basis of merit and a 'means test' need not be applied.

The committee have been informed that a Committee headed by the Minister of Human Resource himself has considered the question of linking the quantum of scholarship to income in June, 1987, and has recommended that even though there was a case for enhancing the income limit, the income limit laid down should not be removed altogether. The Committee are at a loss to understand the rationale behind such a decision. The Committee considered that such a decision militates against the principle of selecting the really talented children and in such cases merit alone should be basis for award of scholarship.

The Committee suggest that if at all some income limit has to be fixed, it should be not less than Rs.5,000/- per month. The Committee desire that the entire scheme should once again be reviewed to see whether the award under the scheme should be given purely on the basis

of merit without the application of any 'means test'. One way out can be that in case of awardees whose parental income is less than the minimum prescribed limit, the quantum of award in their case should be doubled, instead of depriving some of the awardees only on the basis that the income of their parents exceeds a certain limit. The quantum of scholarship also needs to be increased suitably in the context of the rising prices."

6.3 The matter was taken up with the Ministry of Human Resource Development (Department of Education) on 2 June, 1988, for implementation. The Ministry in their O.M. dated 27.1.89, stated that the entire question of the revision of the scheme was considered in a series of the meetings taken by the Minister for Human Resource Development. It was felt that there was valid reason to link the quantum of scholarship with parents income. On the basis of the discussions held, the NCERT revised the NTS scheme which was finally considered and approved at a meeting taken by the Minister for Human Resource Development on 6.12.88, with the following specific decisions:—

"(i) Because of the large subjective element and possible regional bias on the part of experts, the selection of candidates should not be based on interview. The provision of interview in selection should be done away with.

(ii) The number of scholarships may be increased from 750 to 2000 in a phased manner after ensuring availability of extra funds from the Ministry from year to year.

(iii) The increase in rate of scholarships proposed in the scheme is appropriate, but at Ph.D level the amount of grant of contingency should remain at the present level.

(iv) The means test should be applied. The cut off level should be the income of Rs. 2,000/- per month. The children whose parents income is below this will get full scholarship and above this half scholarship.

(v) The selection would be at the end of Class VIII and therefore scholarship will begin from Class IX.

(vi) The reservation for SC and ST in the State level test will be as prescribed by the State Governments. At the National Level, the reservation will be to the extent of 15% for SC and 7½% for ST.

(vii) The NCERT should provide question papers in Hindi and English and in the medium of regional language when it is different.

(viii) The candidates will be tested in all subjects, they will not have choice to answer only from Social Science or Sciences for Humanities, etc."

6.4 With respect to (iv) above about the cut off level of income to Rs. 2,000/- per month, the Additional Secretary, Ministry of Human Resource Develop-

ment, stated in his evidence before the Committee on 6.4.88, that there was a case of enhacing the income limit and that we should not remove the income limit altogether.

6.5 The Committee suggested that if at all some income limit had to be fixed it should be Rs. 5,000/-, if possible, but it should not be less than Rs. 4,000/-. To this, the witness replied:—

> "Even when the income limit operates, it is not as if people of income above Rs. 2500/- will be denied of this. You have suggested that at least it should not be less than Rs. 4,000. That will have to be examined. It means Rs. 48,000 or Rs. 60,000 per year. The suggestion of the Government of India was that it should be Rs. 30,000 per year. We have already received a recommendation before, for enhacing the limit of Rs. 30,000 to cater to the needs of the poor people.....The scheme is being implemented from the point of view of social justice, and we have got our financial constraints also."

Observations/Recommendations of the Committee

6.6 The Committee note that the National Talent Search Scheme has been revised in December, 1988, and it has *inter alia* been decided to increase the number of scholarships from 750 to 2000 in a phased manner and also the rate of scholarships. It has also been decided that the parents income limit for the purposes of awarding scholarships be raised from Rs. 1,000/- to Rs. 2,000/- per month.

6.7 The Committee consider that while these are welcome steps, they do not go far enough. They have a feeling that in revising the limit to Rs. 2000/- per month Government have not fully taken into account important factors like continuously inflationery trends, more particularly the high cost of living in bigger cities and the attendant high cost of education. The Committee, therefore, reiterate their earlier recommendation that merit alone should be the basis for award of scholarships and suggest that if at all some income limit has to be fixed, it should be not less than Rs. 5,000/- per month so as to enable meritorious children of middle class families also to benefit from the scheme.

6.8 The Committee trust that Government would reconsider the matter at the earliest. They would like to be apprised of the decision taken within three months.

NEW DELHI;
August 29, 1990
Bhadra 7, 1912 (Saka)

LOKANATH CHOUDHARY
Chairman,
Committee on Petitions.

ANNEXURE

[*See* para 4.48 (Column 4) of the Report]

Civil deliveries of hank yarn in comparison to total yarn deliveries for the year 1983-84 to 1987-88

(Quantity in Million Kgs.)

Years	Hank yarn deliveries	Total yarn deliveries	% share of hank yarn to total yarn
1983-84	288.90*	648.93	40.51
1984-85	356.76	891.37	48.02
1985-86	375.83	938.18	40.06
1986-87	394.53	983.50	48.11
1987-88	401.17	1002.07	40.03

*Figures pertain to cotton yarn.